General Government Appropriations / Finance and Claims Joint Subcommittee

In Support of Federal Stimulus Dollars to
Fund a **Montana Energy Conservation Tax Credit**

National Center for Appropriate Technology (NCAT)

Montana currently has a tax credit for up to $500 equal to 25% of an investment to make a home or business more energy efficient.

SB 37 was requested by the EQC and would raise the tax credit from $500 to $800. It is a consensus bill that was rated as the #1 tax credit priority and passed unanimously out of Senate Tax Committee last session. The fiscal note is about $4.5 million.

Offering tax credits for energy efficiency is one thing we can do to lower Montanan's energy bills. It will put contractors back to work. It has bipartisan support.

Our recommendation is for this committee to work with Senate Tax Committee to temporarily increase the tax credit, add a sunset provision so it would revert to the current $500 level in two years. We suggest the two committees agree on a fiscal note, the tax committee will craft a bill to match, then invest stimulus money in the tax credit.

Shifting money from energy costs to conservation investments, puts dollars in the local economy while putting Montanans to work.

This is as shovel ready as it gets.

NCAT applied an Oregon study of energy conservation tax credits to SB 37 and found that for fiscal year 2009:
For a $4.5 million tax credit, Montanans would spend almost $25 million, increasing the output in the Montana economy by $13 million. 37 new jobs would be created, Montana wages would increase by $1.2 million and tax revenues for local and state governments would increase $1.1 million.

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GROW MONTANA

Strengthening our Food and Agricultural Economy

Senate Finance and Claims Committee

In Support of Federal Stimulus Dollars to Fund
Six Food and Agricultural Development Centers

When a Montana farmer or rancher wants to add value to their crops or livestock, they go to a Food and Agriculture Development Centers for technical assistance, to help them create a marketable product. The centers help producers research, manufacture and market these products, so that Montanans can buy more of our food from Montanans, and spend our food dollars on Main Street in communities across the state.

A handful of the many companies helped by these centers are:

Timeless Seeds in Conrad, who with the help of the Mission Mountain Food Development Center in Ronan, developed a successful line of products sold in more than 300 grocery stores. While the economy has declined, demand at Timeless has doubled and they are adding a production line and jobs to go with it.

Bear Paw Development in Havre helped a group of farmers in Malta form Peaks and Prairies LLC, which manufactures bio based oil and lubricants. One of their products is a canola based chainsaw bar oil sold to the Forest Service and Weyerhaeuser.

35 value added producers process their food at a shared use commercial kitchen at the Fergus County Fairgrounds. Snowy Mountain Development Corporation in Lewistown assisted in the development and design.

WIRED (Workforce Investment in Regional Economic Development) federal funding has most recently funded five of these centers. That program is scheduled to end in January of 2010.

Grow Montana recommends that $740,000 of stimulus money be invested in six Food and Agriculture Development Centers through 2010 and 2011 as matching funds, to keep the doors open for two years while other funding is secured.

This request is outlined in HB 583 which is in House Appropriations Committee Some of these centers – specifically the Bio-product Innovation Centers -- have already made a federal funding request in the form of SJ 11, which passed the Senate with only a handful of "no" votes.

This funding would fill an immediate need, create jobs in our rural communities, enable future economic activity, and provide a broader tax base. Grow Montana encourages you to amend stimulus money into HB 583.

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